

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE CENTERLINE HOLDING  
COMPANY SECURITIES LITIGATION

Case No. 08 Civ. 00505 (SAS)

BRIAN QUILL, Individually And On Behalf  
of All Others Similarly Situated,

Plaintiff,

vs.

Case No. 08 Civ. 01902 (SAS)

CENTERLINE HOLDING CO. INC., MARC  
D. SCHNITZER, ROBERT L. LEVY,  
STEPHEN M. ROSS, JEFF T. BLAU, and  
LEONARD W. COTTON

Defendants.

**DECLARATION OF LEWIS KAHN CORRECTING CALCULATIONS SET FORTH IN  
SUPPORT OF THE BURNS GROUP'S NOTICE OF MOTION AND MOTION FOR  
CONSOLIDATION OF ALL RELATED ACTIONS; APPOINTMENT AS LEAD  
PLAINTIFF; AND APPROVAL OF THEIR SELECTION OF LEAD COUNSEL**

I, Lewis Kahn, declare:

1. I am a partner of the firm Kahn Gauthier Swick, LLC (“Kahn Gauthier”). I make this declaration of my own personal knowledge and if called to testify, I could and would competently testify hereto under oath.

2. I make this declaration to: (1) correct calculations set forth in the Memorandum of Law (“Initial Memorandum”) and exhibits to the Declaration of Bruce D. Bernstein filed on March 18, 2008 in Support of the Burns Group’s Motion for: (i) consolidation of the above-captioned related actions, appointment of the Burns Group, or, in the alternative, any of its members, as Lead Plaintiff in the above-referenced actions, and approval of its selection of Dreier LLP and Kahn Gauthier as Co-Lead Counsel (collectively, the “Lead Plaintiff Application”); and (2) update the calculations in the Lead Plaintiff Application in light of Jona Goldrich’s withdrawal from the Burns Group. A corrected Memorandum of Law is being filed simultaneously herewith.<sup>1</sup> The necessary corrected exhibits are attached hereto.

3. The transactions in Centerline securities by four members of the Burns Group (Joseph Fryzer, Melvin Krevoy, Stephen Landau, and Jona Goldrich) were all executed by the same brokerage firm and investment advisor, which oversaw these individuals’ non-discretionary brokerage accounts. *See* Initial Memorandum at 7. The information transmitted by the investment advisor’s office to counsel for the Burns Group inadvertently misidentified and omitted information relevant to the certifications filed by certain members of the Burns Group such that: (a) Mr. Goldrich’s certification reflected certain transactions that were made on behalf

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<sup>1</sup> This memorandum reflects Mr. Goldrich’s withdrawal from the Burns Group and sets forth the corrected calculations discussed herein. It does not contain any new legal argument.

of family trust accounts for which his wife and daughter were the respective trustees,<sup>2</sup> and (b) Mr. Landau's certification inadvertently omitted his sales of 18,900 shares of Centerline common stock in December 2006,<sup>3</sup> as well as his purchase of 1,600 shares in April 2007.<sup>4</sup>

4. Due to Mr. Goldrich's withdrawal from the Burns Group, the Group's approximate losses are now \$1,429,403.83. *See* Exhibit A hereto (table reflecting revised calculation of approximate Class Period loss pursuant to LIFO). As a result of Mr. Goldrich's withdrawal and the inclusion of the inadvertently omitted Class Period sales of Messrs. Landau and Burns, the revised calculations for the Burns Group for the other figures set forth in the Initial Memorandum are: (i) gross purchases of 142,832 shares; (ii) net purchases of 70,984 shares; (iii) net expenditures of \$1,398,463.11; and (iv) gross monetary investment (excluding commissions) of \$2,479,629.99. *See* Exhibit B hereto (tables reflecting revised calculations of

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<sup>2</sup> Although Mr. Goldrich directed the investment advisor to execute these transactions, in order to avoid any potential arguments that this impacts the adequacy of the Burns Group to serve as Lead Plaintiff, including the argument that the inclusion of his wife and daughter in the Burns Group would make the Group too large to work effectively, Mr. Goldrich has filed concurrently with this Declaration a notice of withdrawal from the Burns Group.

<sup>3</sup> Pursuant to LIFO, these sales all correspond to pre-Class Period holdings and, therefore, had no impact on the calculation of the estimated Class Period loss for the Burns Group in the Lead Plaintiff Application. In addition, although included in his certification, sales by Mr. Burns of 24,348 shares of Centerline common stock (including 2,498 shares from his IRA) on August 1, 2007 were inadvertently omitted from calculations of the Burns Group's net purchases and net expenditures. However, as with the aforementioned sales by Mr. Landau, these sales all correspond to pre-Class Period purchases and, therefore, had no impact on the calculation of the estimated Class Period loss.

<sup>4</sup> The data concerning Mr. Landau's purchase of the 1,600 Centerline shares in April 2007 is submitted solely for informational purposes and, therefore, is not included in the corrected calculations set forth herein. Mr. Landau intends to submit a revised certification that will set forth the data previously disclosed, as well as the information set forth herein that had been inadvertently omitted.

these figures).<sup>5</sup>

I declare under penalty of perjury that the foregoing is true and correct. Executed this 1st day of April 2008 at New Orleans, Louisiana.

/s/ Lewis Kahn  
Lewis Kahn

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<sup>5</sup> As a result of a typographical error, the schedule attached to the certification of Mr. Burns mistakenly sets forth the date of a sale of 10,000 Centerline shares as “3/11/07”; the actual date was 3/12/07. This typographical error had no impact on any of the calculations set forth in the Initial Memorandum.

**CERTIFICATE OF SERVICE**

I hereby certify that on April 1, 2008, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notice of such filing to the e-mail addresses listed on the attached Electronic Mail Notice List, and I hereby certify that I served the foregoing via U.S. Mail to the non-CM/ECF participants listed on the Attached Manual Notice List.

/s/ Rebecca Tingey  
Rebecca Tingey  
**DREIER LLP**  
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New York, New York 10022  
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## Mailing Information for a Case 1:08-cv-00505-SAS

### Electronic Mail Notice List

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### Manual Notice List


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# **EXHIBIT A**



**CENTERLINE: BURNS GROUP'S APPROXIMATE LOSS (calculated under LIFO)**  
**Class Period 12/5/06 - 12/28/07**

<b>TOM BURNS</b>			<b>Purchases</b>		<b>Sales</b>		
<b>Date</b>	<b>Shares</b>	<b>PPS</b>	<b>Date</b>	<b>Realized/Unrealized</b>	<b>Shares</b>	<b>PPS</b>	<b>Gains/(Losses)</b>
12/18/2006	8,600	\$21.10					
2/26/2007	5,000	\$20.26					
2/28/2007	5,000	\$19.11					
			3/12/2007	Realized	10,000	\$20.25	\$5,650.00
3/12/2007	10,000	\$20.10					
			8/1/2007	Realized	18,600*	\$11.00	(\$177,860.00)
8/3/2007	10,000	\$12.38	-	Unrealized		\$5.63	(\$67,500.00) **
8/3/2007	10,000	\$12.37	-	Unrealized		\$5.63	(\$67,400.00)
8/3/2007	10,000	\$12.36	-	Unrealized		\$5.63	(\$67,300.00)
8/3/2007	10,000	\$12.35	-	Unrealized		\$5.63	(\$67,200.00)
8/3/2007	1,832	\$12.37	-	(IRA) Unrealized		\$5.63	(\$12,347.68)
						<b>Total Losses:</b>	<b>(\$453,957.68)</b>

\*Of the total 42,948 shares sold on 8/1/07, 24,348 are excluded from the loss analysis because they are treated as pre-Class Period holdings under LIFO.

\*\*The unrealized loss for the shares purchased during the Class Period (and currently held) is calculated by subtracting the average closing price of Centerline common stock from the end of the Class Period on 12/28/07 through 3/17/08 (\$5.63), from the Class Period purchase price.

<u>Purchases</u>			<u>Sales</u>		
Date	Shares	PPS	Date	Realized/Unrealized	Shares
2/28/2007	14,700	\$19.09	-	Unrealized	14,700
3/1/2007	3,200	\$19.00	-	Unrealized	3,200
3/2/2007	10,100	\$19.16	-	Unrealized	10,100
3/7/2007	400	\$19.47	-	Unrealized	400
			Total Losses:		
			(\$382,776.83)		

**MELVIN KREVOY**

<u>Purchases</u>			<u>Sales</u>			
Date	Shares	PPS	Date	Realized/Unrealized	Shares	PPS
2/27/2007	20,000	\$19.87	-	Unrealized	20,000	\$5.63

**STEPHEN LANDAU**

<u>Purchases</u>			<u>Sales</u>			
Date	Shares	PPS	Date	Realized/Unrealized	Shares	PPS
2/27/2007	5,000	\$19.87	-	Unrealized	5,000	\$5.63
4/24/2007	6,800	\$18.13	-	Unrealized	6,800	\$5.63
5/8/2007	3	\$17.95	-	Unrealized	3	\$5.63
5/9/2007	2,900	\$17.95	-	Unrealized	2,900	\$5.63
5/10/2007	2,797	\$17.95	-	Unrealized	2,797	\$5.63
6/29/2007	4,000	\$18.17	-	Unrealized	4,000	\$5.63
7/5/2007	2,500	\$18.15	-	Unrealized	2,500	\$5.63
<b>Total Losses:</b>						<b>(\$307,865.32) *</b>

\*Stephen Landau sold 18,900 shares on December 20 and 21, 2006. However, because these shares were pre-Class Period holdings, under LIFO they are excluded from the loss analysis.

**TOTAL BURNS GROUP (LOSSES) (\$1,429,403.83)**

# **EXHIBIT B**

**CENTERLINE: BURNS GROUP - Gross Purchases, Net Purchases, Net Expenditures (and Gross Monetary Investment)**  
**Class Period 12/5/06 - 12/28/07**

**TOM BURNS**

Purchases			Sales				
Date	Shares	PPS	Cost	Date	Shares	PPS	Proceeds
12/18/2006	8,600	\$21.10	\$181,460.00	3/12/2007	10,000	\$20.25	\$202,500.00
2/26/2007	5,000	\$20.26	\$101,300.00	8/1/2007	40,000	\$11.00	\$440,000.00
2/28/2007	5,000	\$19.11	\$95,550.00	(IRA) 8/1/2007	2,948	\$11.06	\$32,604.88
3/12/2007	10,000	\$20.10	\$201,000.00				
8/3/2007	10,000	\$12.38	\$123,800.00				
8/3/2007	10,000	\$12.37	\$123,700.00				
8/3/2007	10,000	\$12.36	\$123,600.00				
8/3/2007	10,000	\$12.35	\$123,500.00				
(IRA) 8/3/2007	1,832	\$12.37	\$22,661.84				
<b>Gross Purchases</b>	70,432						
<b>Shares Sold</b>	52,948						
<b>Net Purchases</b>	17,484						
<b>Total Exp.</b>	\$1,096,571.84						
<b>Total Sales</b>	\$675,104.88						
<b>Net Exp.</b>	\$421,466.96						

**JOSEPH FRYZER****Purchases**

Date	Shares	PPS	Cost
2/28/2007	14,700	\$19.09	\$280,562.73
3/1/2007	3,200	\$19.00	\$60,804.16
3/2/2007	10,100	\$19.16	\$193,513.98
3/7/2007	400	\$19.47	\$7,787.96

**Gross Purchases**

28,400

**Shares Sold**

0

**Net Purchases**

28,400

**Total Exp.**

\$542,668.83

**Total Sales**

\$0.00

**Net Exp.**

\$542,668.83

**MELVIN KREVOY****Purchases**

Date	Shares	PPS	Cost
2/27/2007	20,000	\$19.87	\$397,404.00

**Gross Purchases**

20,000

**Shares Sold**

0

**Net Purchases**

20,000

**Total Exp.**

\$397,404.00

**Total Sales**

\$0.00

**Net Exp.**

\$397,404.00

Sales	Date	Shares	PPS	Proceeds
-	-	14,700	\$5.63	-
-	-	3,200	\$5.63	-
-	-	10,100	\$5.63	-
-	-	400	\$5.63	-

Sales	Date	Shares	PPS	Proceeds
-	-	20,000	\$5.63	-

**STEPHEN LANDAU****Purchases**

<b>Date</b>	<b>Shares</b>	<b>PPS</b>	<b>Sales</b>	<b>Shares</b>	<b>PPS</b>	<b>Proceeds</b>
2/27/2007	5,000	\$19.87	-	5,000	\$5.63	-
4/24/2007	6,800	\$18.13	-	6,800	\$5.63	-
5/8/2007	3	\$17.95	-	3	\$5.63	-
5/9/2007	2,900	\$17.95	-	2,900	\$5.63	-
5/10/2007	2,797	\$17.95	-	2,797	\$5.63	-
6/29/2007	4,000	\$18.17	-	4,000	\$5.63	-
7/5/2007	2,500	\$18.15	-	2,500	\$5.63	-

**Gross Purchases**

<b>Shares Sold</b>	24,000
<b>Net Purchases</b>	18,900
<b>Total Exp.</b>	5,100
<b>Total Sales</b>	\$442,985.32
<b>Net Exp.</b>	\$406,062.00
	\$36,923.32

**BURNS GROUP TOTALS:**

Gross Purchases	142,832 shares
Net Purchases	70,984 shares
Net Expenditures	\$1,398,463.11
Gross Monetary Investment	\$2,479,629.99